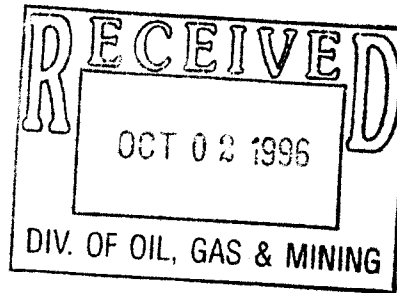


M/035/002

Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84044-6001
(801) 252-3179
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Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs



Kennecott

September 30, 1996

Mr. D. Wayne Hedberg
Permit Supervisor, Mineral Regulatory Program
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Withdrawal of Dry Fork Permit Amendment, Kennecott Utah Copper Corporation, Bingham Canyon Mine, M/035/002, Salt Lake County, Utah

Dear Mr. Hedberg:

Kennecott Utah Copper Corporation (KUCC) formally withdraws its request for review of the subject permit amendment from Division of Oil, Gas and Mining by transmittal of this letter. Please return the amendment application and supporting documents to KUCC at your earliest convenience.

Based on our discussions during the September 19, 1996 meeting, and extensive review of the original 1978 permit for the Bingham Canyon Mine and the State Mined Land Reclamation Act Mineral Rules, KUCC believes that an amendment to the Bingham Canyon Mine permit is not warranted for the Dry Fork Water Management project.

The Dry Fork Water Management project is not a mining related facility or operation. It reduces the impact of mining in the Oquirrh Mountains by preventing clean water from becoming contaminated and entering the mineral processing system. Preventing this water from entering the process is an important element of the Ground Water Discharge Permit Application for the East Side Collection System that is currently under review by the State Division of Water Quality.

The clean water production well, located at the north end of the topsoil stockpile between the two water storage dams is a test production well that has been cleared with the State Engineers Office. The well will be used to intercept clean ground water, while the catch basins will intercept clean surface water before the waters enter lower Dry Fork Canyon and Bingham Canyon, where the quality of the waters would be degraded. The captured water will ultimately be used to supply local municipalities as part of KUCC's strategy to satisfy requirements under the Natural Resources Damage (NRD) settlement for contaminated ground water in the southwestern Jordan Valley. This

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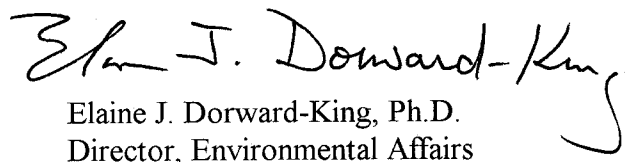
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settlement is administered by the State Department of Environmental Quality. It should also be noted that representatives from local municipalities have been communicating with KUCC personnel regarding the potential to provide sources of drinking and/or irrigation water.

The clean water catch basins are being constructed outside of operational areas to protect a natural resource from becoming contaminated, to minimize the amount of new water that enters the process and to supply water as part of the NRD settlement. Once mining activities have ceased, and the required reclamation of operational areas has been completed, the function of the catch basins will not change. Furthermore, KUCC is continually working with the State Division of Water Quality regarding long term water management under the Clean Water Act and State ground water regulations. The access road and power lines will be constructed for the purpose of operating and maintaining the water management system for Dry Fork Canyon. Therefore, those structures are also not mining related facilities.

I appreciate the willingness of DOGM to discuss the Dry Fork Water Management Project and hope that any inconvenience engendered by our amendment application was minimal. I look forward to the October 17 visit to KUCC by DOGM, which, along with the comprehensive tour of the Bingham Canyon operation, will include a detailed presentation on water resource management at KUCC.

Sincerely,


Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs

EDK/JCC:bt